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SERVICE DATE – MARCH 3, 2003

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-20994

NEW JERSEY TRANSIT BUS OPERATIONS, INC.–POOLING–ACADEMY LINES, L.L.C.

AGENCY: Surface Transportation Board.

ACTION: Notice of proposed pooling application.

SUMMARY: By application filed on January 27, 2003,¹ New Jersey Transit Bus Operations, Inc. (NJTB), and Academy Lines, L.L.C. (Academy), jointly request approval of a service pooling agreement under 49 U.S.C. 14302 and 49 CFR 1184.1, et seq. to pool portions of their commuter operations that extend over U.S. Highway 9 between Lakewood, NJ, and New York, NY (the Route 9 Corridor).

DATES: Comments on the proposed service pooling agreement may be filed with the Board in the form of verified statements on or before April 2, 2003. If comments are filed, applicants' rebuttal statement is due on or before April 22, 2003. The Board will issue a decision on the merits after consideration of any comments and rebuttal that are submitted.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-20994 to: Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, send one copy of any comments to each of applicants' representatives: (1) E. Philip Isaac, Deputy Attorney General, One Penn Plaza East, Newark, NJ 07105-2246; and (2) Joseph J. Ferrara, 111 Paterson Avenue, Hoboken, NJ 07030.

¹ Applicants concurrently filed a petition under 49 U.S.C. 13541(a) requesting exemption from 49 U.S.C. 14302 so as to enable them to conduct interim operations under their service pooling agreement for a period of not more than 50 days, or such other time as the Board may direct, pending Board action on the pooling application. Applicants' request was granted by decision served February 12, 2003 in New Jersey Transit Bus Operations, Inc.–Pooling–Academy Lines, L.L.C., Exemption Pursuant to 49 U.S.C. 13541 From the Provisions of 49 U.S.C. 14302, STB Docket No. MC-F-20994 (STB served Feb. 12, 2003).

FOR FURTHER INFORMATION CONTACT: Joseph H. Dettmar, (202) 565-1600. [Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: Under the proposed pooling agreement, the carriers will coordinate their schedules and fares over the involved routes for their regularly scheduled passenger bus operations. The carriers do not intend to pool revenues or share expenses (except for the costs associated with preparing and printing public timetables showing their combined coordinated services and Port Authority Bus Terminal (PABT) gate and platform fees), but will cross-honor their independently sold commutation tickets and reimburse each other accordingly.

In 1991, NJ Transit was authorized to perform these same pooling operations with another regulated passenger carrier, Suburban Trails, Inc. (Suburban). See NJ Transit Bus Operations, Inc.–Pooling–Suburban Trails, Inc., No. MC-F-19737 (ICC served Mar. 19, 1991). Effective January 3, 2003, however, Suburban ceased serving the Route 9 Corridor, withdrew from the pooling agreement, and exited the market. By the filing of this application, approval is being sought to allow Academy to assume Suburban's place in the pooling operation.²

NJT Bus is a wholly owned subsidiary of the New Jersey Transit Corporation, an instrumentality of the State of New Jersey. NJT Bus holds operating authority in No. MC-3647 and subnumbers thereunder. It operates a fleet of about 2,025 buses and conducts interstate operations over approximately 238 bus routes, including commuter operations to and from the PABT in New York City. NJT Bus currently operates approximately 123 daily weekday peak period trips in the Route 9 Corridor to and from midtown Manhattan, NY. NJT Bus will provide some service on Saturdays and Sundays, but on a substantially reduced basis compared with weekday schedules.

² In an application filed on February 4, 2003 in STB Docket No. MC-F-20997, Coach USA, Inc., et al.–Purchase and Sale of Assets–Academy Bus, L.L.C., et al., Coach USA, Inc. and two of its subsidiaries, Suburban Transit Corp., and Red & Tan Tours, Inc. (the Coach applicants), and Academy Bus, L.L.C. and two of its subsidiaries, Academy Express, L.L.C., and Academy (the Academy applicants) state that they have entered into a transaction to “swap” certain interstate and intrastate motor passenger carrier operating authorities in order to enhance the efficiency of their respective operations. The Academy applicants will transfer to the Coach applicants the “Academy Routes,” while the Coach applicants will transfer to the Academy applicants the “Route 9 Corridor route,” the “Suburban Atlantic City Routes,” and the “Red & Tan Routes.” This proceeding is presently pending before the Board. Reference is made to it here because Academy and Suburban (another Coach subsidiary) are involved in the instant proceeding.

Academy is a privately held New Jersey limited liability company, holding operating authority in No. MC-414016 and subnumbers thereunder. Applicant operates a fleet of over 600 buses rendering scheduled, regular-route intercity operations primarily in commuter services from specified origins in New Jersey to various points in New York City, including the PABT. Academy presently is a competitor in the Route 9 Corridor, serving the Wall Street area of lower Manhattan, rather than the PABT in midtown Manhattan. Under the negotiated pooling agreement, Academy anticipates operating approximately 74 daily weekday peak period trips between New Jersey points and the PABT. Academy will operate from the gates in the PABT that are used by NJT Bus, and passengers will board and alight from buses at the same locations both in New York City and in the communities along the Route 9 Corridor.

Applicants assert that there is substantial competition on the pooled route to protect the public and that the pooling agreement does not threaten to produce an unreasonable restraint on competition. According to applicants, private automobiles provide ample competition for the pooled operations on the Route 9 Corridor. Moreover, the New Jersey Coast Line and the Northeast Corridor Line are not too distant from the Route 9 Corridor, and the frequent weekday rail service which the rail arm of NJ Transit and the National Railroad Passenger Corporation (Amtrak) offer is another alternative available to applicants' passengers.

Applicants state that the proposed pooling of the bus lines' schedules will result in better service to the public, will render operations more economical and efficient, and will not unreasonably restrain competition. In addition, they assert that approval of the transaction will not significantly affect either the quality of the human environment or the conservation of energy resources.

Copies of the pooling application may be obtained free of charge by contacting applicants' representatives. Alternatively, the application may be inspected at the offices of the Surface Transportation Board, Room 755, during normal business hours, or a copy of the application may be obtained from the Board's website at "WWW.STB.DOT.GOV."

A copy of this notice will be served on the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, N.W., Washington, DC 20530; the New York Department of

Transportation, Truck and Bus Safety Section, Room 501-A, Building 7A, 1220 Washington Avenue, Albany, NY 12232; and the New Jersey Department of Transportation/Office of Regulatory Affairs (Commercial Bus Inspection), 225 E. State Street, P.O. Box 611, Trenton, NJ 08666-0611.

Decided: February 25, 2003.

By the Board, Chairman Nober, Vice Chairman Burkes, and Commissioner Morgan.

Vernon A. Williams
Secretary